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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

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BULLETIN NO. 51-17

May 29, 1951

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Designation of agencies as "Departments" pursuant
to the Renegotiation Act of 1951

1. Purpose. The Renegotiation Act of 1951 (P.L. 9, 82nd Congress) provides that all contracts and related subcontracts with the "Departments" listed therein are to be subject to renegotiation unless exempted under other provisions of the legislation. The President is authorized to designate additional agencies, or parts thereof, as "Departments" for the purpose of bringing their defense contracts under the Act.

In order to assemble such information as may be needed in deciding which additional agencies, if any, should be designated, it is requested that each agency not specifically named as a "Department" by the Renegotiation Act transmit to the Bureau of the Budget, on or before June 12, 1951, the information indicated below.

2. Information desired. Each agency to which this Bulletin is applicable should, after examination of the text of the Renegotiation Act, include the following information in its reply:

- a. A succinct summary of each activity having a direct and immediate connection with the national defense which has resulted or is likely to result in the awarding of contracts. (Note: The words "direct" and "immediate" as used here should not be narrowly interpreted. The conference report on P.L. 9 specifically states that any activity or contract essential to or having a clear connection with the national defense, even if removed by intervening steps from the ultimate defense purpose, should be regarded as having the required "direct" and "immediate" relationship.)
- b. An indication of the purposes and volume of defense connected contracts.
- c. Indication of the extent to which the contracts awarded or likely to be awarded appear to be exempt under the provisions of section 106(a) of the Renegotiation Act.

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- d. Recommendation as to whether or not in the light of the information provided, the agency or any part thereof should be designated by the President for inclusion under the Renegotiation Act.

3. Questions and interpretations. Any questions or inquiries relating to this Bulletin should be directed to Mr. Alan L. Dean, room 461, Executive Office Building, code 189, extension 587.

FREDERICK J. LAWTON
Director

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